

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2493 - SB 3312

February 24, 2010

SUMMARY OF BILL: Requires youth, and parents of youth, who have been adjudicated unruly for truancy to attend counseling and mentoring or parenting classes. Creates a task force on truancy comprised of the Commissioner of Education, the Commissioner of Human Services, the Commissioner of Children's Services (DCS), the Commissioner of Mental Health and Developmental Disabilities, a representative of the Tennessee Council of Juvenile and Family Court Judges, a representative from the District Attorneys General Conference, a representative of the Tennessee School Board Association, a representative of the Tennessee Organization of School Superintendents, a teacher, an attendance teacher, a parent from a parent-teacher organization, two state Representatives, and two state Senators. Prohibits members of the task force from receiving per diem payments; however, members of the task force may receive travel reimbursement. Requires the task force to make a report to the Governor and the Education Committees of the General Assembly by February 1, 2012, whereupon the task force shall sunset.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures – \$1,100/Each One Day Meeting
\$1,851,000/Recurring**

Increase Local Expenditures - \$8,378,700/Recurring*

Increase Federal Revenue - \$340,100/Recurring

Assumptions:

- According to the Administrative Office of the Courts, there were approximately 9,824 individuals referred to a juvenile court in 2008 for truancy which is a status offense. A status offense is an offense that only a minor can commit; it is based upon their status as a minor.
- According to DCS, approximately 250 individuals out of the 9,824 are in state custody and will be held for additional days. An additional 1,950 individuals out of the 9,824 are non-custodial but have received some DCS service and will be provided counseling services by DCS. The average length of stay is 30 days at a cost of \$108 per committal day. The number of additional days is estimated to be 7,500 (30 x 250).
- The total cost for the increase in committals is approximately \$810,000 (7,500 x \$108).

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- Of the \$810,000, approximately seven percent (\$56,700) will be Title IV-E federal funds; approximately 49 percent (\$396,900) will be through TennCare; and approximately 44 percent (\$356,400) will be state funding.
- Of the \$396,900 in TennCare funding, approximately \$261,081 will be federal funds at a 65.78 percent match rate and approximately \$135,819 will be state funds at a 34.22 percent match rate.
- DCS estimates that one additional case manager will be hired to handle the additional committal days that the youth will serve since more youth will continue to come into state custody while counseling is on-going.
- The additional case manager position will result in an increase in expenditures of approximately \$61,096 which includes salary (\$34,400), benefits (\$11,696), and other costs such as travel, communications, and office supplies (\$15,000).
- Of the \$61,096, approximately seven percent (\$4,277) will be Title IV-E federal funds; approximately 45 percent (\$27,493) will be through TennCare; and approximately 48 percent (\$29,326) will be state funding.
- Of the \$27,493 in TennCare funds, approximately \$18,085 will be federal funds at a 65.78 percent match rate and approximately \$9,408 will be state funding at a 34.22 percent match rate.
- The total increase in federal funding will be approximately \$340,143 (\$56,700 + \$261,081 + \$4,277 + \$18,085).
- The increase in state expenditures for personnel and additional committal days will be approximately \$530,953 (\$356,400 + \$135,819 + \$29,326 + \$9,408).
- DCS will contract out the counseling and mentoring programs for 2,200 individuals and their families (250 in custody and 1,950 non-custodial) at a cost of approximately \$50 per hour for 12 hours per month. These costs are not federally reimbursable. The increase in state expenditures for counseling and mentoring services will be approximately \$1,320,000 (\$50 x 12 hours x 2,200).
- The total increase in state expenditures for counseling or mentoring is estimated to be \$1,850,953 (\$530,953 + \$1,320,000)
- An additional 7,624 individuals and their families will be required to go to counseling or mentoring classes. This averages to approximately 56 individuals and families per LEA (7,624 / 136 LEAs).
- The bill does not specify who will provide counseling for individuals not in state custody who are referred for truancy. It is assumed that LEAs will set up a class for these individuals that will be run by a counselor or social worker hired by the LEA.
- Each LEA will hire at least one counselor or social worker to run counseling and mentoring programs. According to the Department of Education's 2008-09 Annual Statistical Report, the average statewide salary for a licensed educator in the 2008-09 school year was \$47,680. Based upon what the BEP formula generates, additional benefits are approximately 14.07 percent of the salary or \$6,709 and the full insurance premium is \$7,219. Salary, benefits and insurance per licensed educator will be approximately \$61,608 (\$47,680 + \$6,709 + \$7,219). The total increase in local expenditures will be approximately \$8,378,688 (\$61,608 x 136).
- Task force meetings will be held in Nashville. Task force members based in Nashville such as Commissioners, representatives from the District Attorneys General Conference,

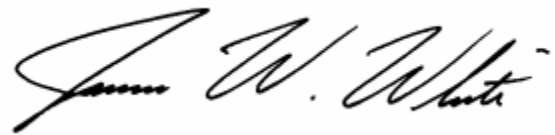
and Tennessee Council of Juvenile and Family Court Judges will not receive travel reimbursement.

- Travel expenses for four legislative members, two teachers, and one parent are estimated to be \$1,081.08 per meeting (\$154.44 mileage x 7 task force members).
- Travel expenses for outside groups will be paid in accordance with their reimbursement policy.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

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